



QUARTERLY REPORT - 3 months ending 30th June 2013

HIGHLIGHTS

SIHAYO PUNGKUT GOLD PROJECT, INDONESIA (75%)

- Definitive Feasibility Study to be re-examined and potentially re-configured
- Mineral Resource estimate reviewed and updated by H&S Consultants Pty Ltd includes all Sambung and Sihayo infill drilling results
 - 250,000ozs in Measured category is largely within near surface mineralisation at the Sihayo and Sambung deposits.
 - +800,000ozs in Indicated category and a significantly higher level of Resource confidence overall with no material change in overall ounces
- Surface exploration work adjacent to Sihayo Resource progressing with encouraging results

CORPORATE

- Settlement and issuance of new shares pursuant to the capital raising announced on 22 March occurred on the 5th and 9th April 2013
- Company ended June Quarter with AUD 2.8m in cash and is debt free.

REVIEW OF OPERATIONS

The focus of activities during this quarter was on the Sihayo Pungkut Gold Project ("SPGP").

Activities included ongoing work on the Definitive Feasibility Study ("DFS"), Sihayo and Sambung Resource modelling, SPGP drilling, Hutabargot Julu drilling and surface exploration.

Figure 1 shows the location of these activities within the Sihayo Pungkut Contract of Work ("COW") area.

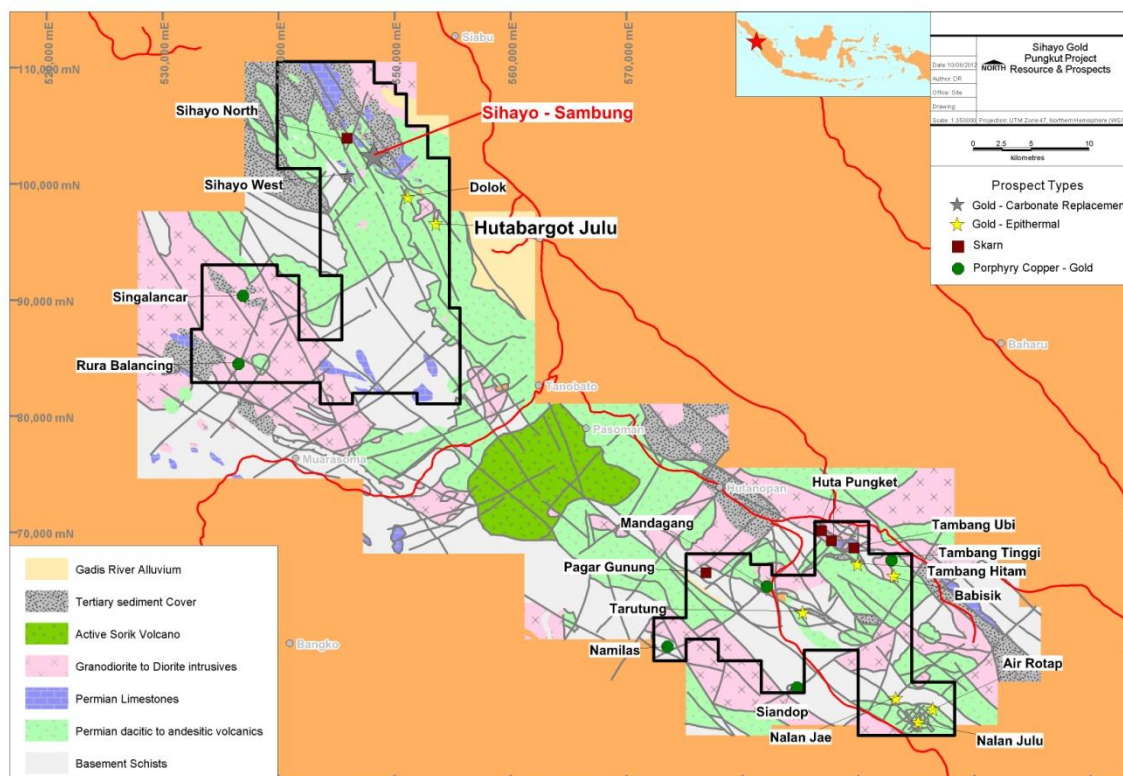


Figure 1: Pungkut Project Prospect Locations

1. Definitive Feasibility Study ("DFS")

During the quarter, DFS related work focused on revising mine designs to incorporate the updated Resource model from Hellman and Schofield Consultants Pty Ltd (H&SC) and development of associated mine schedules for the proposed Staged Development approach, the project permitting activity, metallurgy studies and QA/QC review of the JORC Resource.

Detailed modelling that has been completed on the 'Staged Development' approach for the project indicates a significant increase in site cash operating costs, particularly during Stage 1. This is primarily due to the necessity to undertake a substantial amount of early waste stripping in the pit which is required to sustain production at the proposed 1.0 – 1.3Mtpa of ore throughout the mine life.

Based upon the above, and given challenging market conditions, the Company considers it is necessary that the project is re-examined and potentially re-configured to identify the optimum project development path.

Mining schedules, process plant configuration, overhead cost and productivities will now focus on the near surface mineralisation only, with the objective of improving project economics and minimising the payback period on initial capital.

Capital requirements are expected to be altered accordingly to match alternative throughput rates that may result.

Sihayo Resource Modelling

A 32-hole infill drilling program designed to upgrade the near surface mineralisation within the Sihayo Resource from Indicated to Measured status has been completed. The drilling program covered all the material expected to be mined in the initial years of the project.

An updated Sihayo-Sambung Mineral Resource Estimate has been reported in accordance with the JORC guidelines and code and containing **16.9Mt at 2.6 g/t Au containing 1.4Moz**.

This update includes all remaining infill drill results at the Sihayo and Sambung deposits and is based on Mineral Resource Estimates review and work undertaken by H&S Consultants Pty Ltd.

Table 1: Sihayo-Sambung Resource inventory

<i>Resource</i>	<i>Tonnage (Mt)</i>	<i>Grade Au (g/t)</i>	<i>Contained Gold ounces</i>	<i>JORC Classification</i>	<i>Au Cut-off grade (g/t)</i>
SIHAYO	2.4	2.8	218,000	Measured	1.2
	9.2	2.5	747,000	Indicated	1.2
	3.7	3.0	357,000	Inferred	1.2
	15.3	2.7	1,322,000	Measured & Indicated & Inferred	1.2
SAMBUNG	0.5	2.1	32,000	Measured	1.2
	1.0	2.0	65,000	Indicated	1.2
	0.1	2.0	6,000	Inferred	1.2
	1.6	2.0	103,000	Measured & Indicated & Inferred	1.2
TOTAL	16.9	2.6	1,425,000	Measured & Indicated & Inferred	1.2

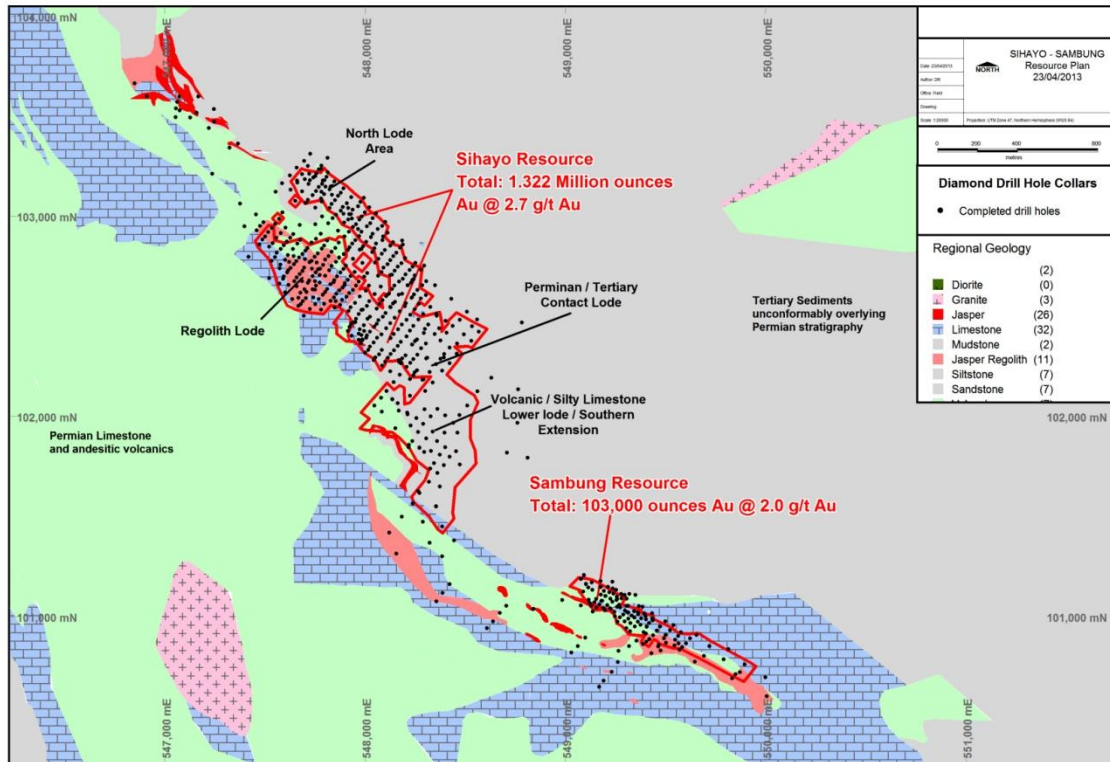


Figure 2: Sihayo - Sambung Resource plan showing latest resource modelling results.

Permitting & Approvals

Presentations continued at Central Government level in relation to the AMDAL Permit (Environment and Social Impact). Work continues on the preparation of the Government of Indonesia Feasibility Study and the Closure & Reclamation Plans, which are all requirements under the Contract of Work system.

Metallurgy

Testwork is in progress on metallurgical samples that have been prepared at the ALS laboratory in Sydney, Australia. Priority is being given for samples associated with near surface mineralisation.

2. Hutabargot Prospect Drilling

The Hutabargot Julu prospect is located on the south eastern portion of the **11.5km long Sihayo-Hutabargot mineralised trend** (refer to Figure 3 below). The prospect is about 10km southeast from the **Sihayo-Sambung Resource**. In the future, an access road could be constructed linking the Hutabargot Julu prospect to the Sambung Resource.

The Hutabargot Julu prospect is underlain by a dacitic dome complex and dissected by the Trans Sumatran Fault Zone. Dacitic stratigraphy has been hydrothermally brecciated and magnetite destructive clay-silica-pyrite altered defining an approximate 6km * 2km intermediate epithermal gold complex footprint. Significant mineralisation is structurally controlled veining within hydrothermal breccias and veins. A major North-South dislocation structure hosting high grade gold- silver mineralisation has been identified in **Western** Hutabargot. Historic drilling was focussed in **Eastern** Hutabargot and yielded a best intercept of **5m @ 36.7 g/t Au from 47m** from Quartz-Sulphide veining.

A recent data synthesis and field visit by Australian-based consultant, Ben Nicolson, culminated in a scout drilling program targeting three areas along the approximate 4 km North-South mineralised structure for gold-silver mineralisation. This structure has the potential to host **high grade gold ore shoots within 10 km of the proposed Sihayo-Sambung CIL processing plant**. The potential size of the gold/silver shoots ranges from smaller satellite zones to larger standalone targets. Scout drilling of these targets commenced on the 1st November 2012 and was completed on the 17th of January 2013. Three targets have been tested by 15 drill holes for 1626.45m of drilling. Following data compilation of the final drill results an additional two holes were drilled in the Sihorbo vein with the aim of establishing an initial inferred resource in this area. Results for these holes are pending with modelling and resource estimation work planned to be progressed in the next quarter. Subject to these results further exploration activities in the area will be planned.

Figure 4 shows the location of the holes drilled in this reporting period.

The Hutabargot Julu **regional structure** (dislocation along a major structural zone adjacent to a 100km long pull apart basin); **geology** (Dacitic volcanics intruded by diorite over a carbonate basement); **vein textures** (evolution relationships / boiling zone textures); and **vein mineralogy / geochemistry** (gold & silver, trace base metals, adularia, rhodocrosite, mineral zonation) are all consistent with known major epithermal deposits around the world, including Newcrest's Gosowong / Kencana deposit in Indonesia.

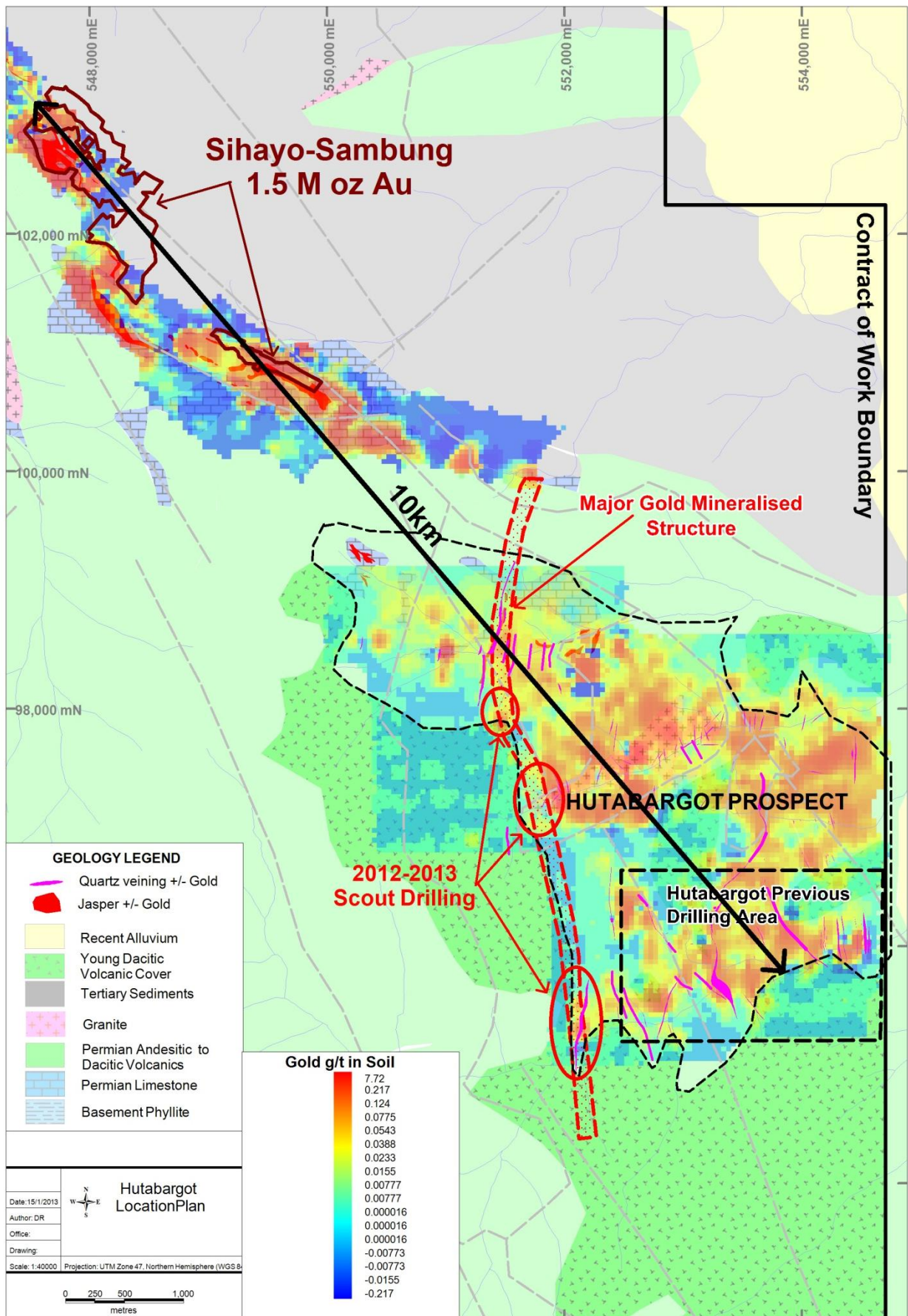


Figure 3: Hutabargot Julu Location

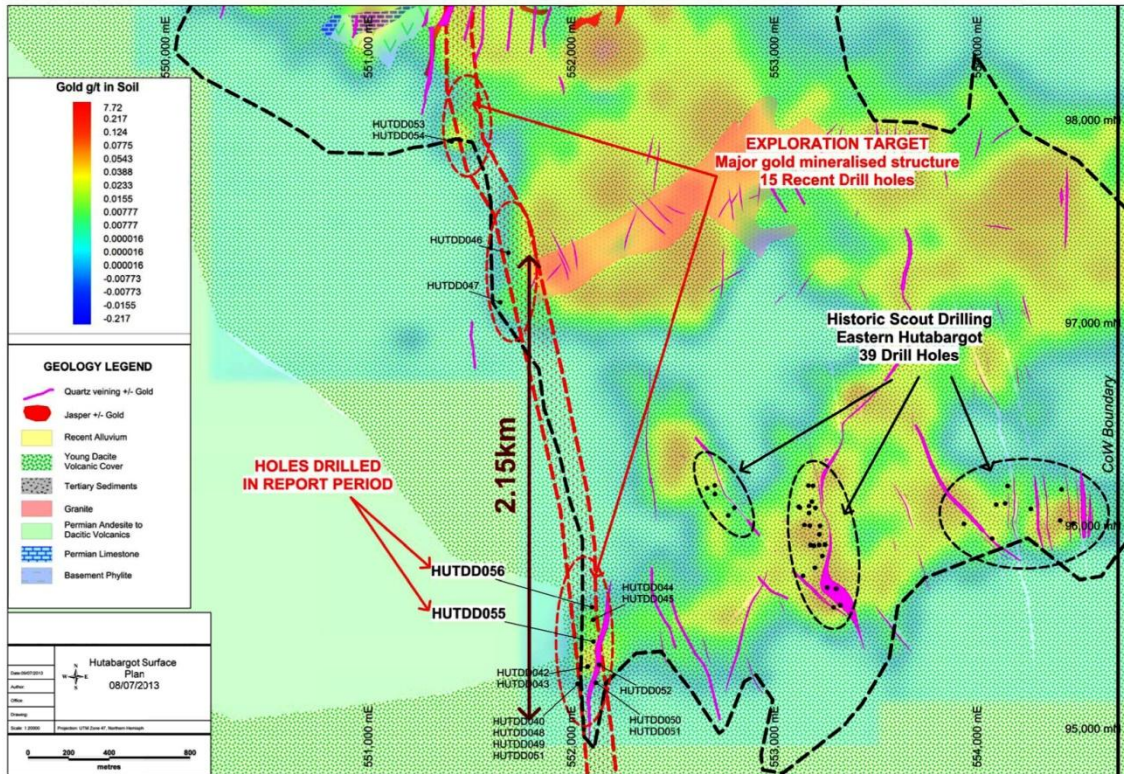


Figure 4: Drill hole locations of Holes drilled in the reporting period.

3. Surface Exploration

During the reporting period 107 rock chip samples and 474 soil samples were collected during pointed geological mapping traverses in the West Sihayo region. Figure 5 shows the areas where rock chips and soil samples were collected and highlights the high gold grade results. Table 4 shows results for rock chips containing >5g/t Au collected during this reporting period.

Table 4: Rock chip results from Sihayo Region > 5g/t Au this reporting period

Sample_ID	North UTM	East UTM	RL	Au g/t	Ag g/t	As ppm	Cu ppm	Pb ppm	Zn ppm	Sb ppm	Mo ppm
1004475	101227	545083	899	10.60	4	64	11	10	24	41	1
1004488	100998	544929	895	6.97	<1	4680	10	17	51	13	<1
1004491	101000	544931	895	9.26	<1	4190	17	28	63	14	1
1004495	101003	544934	895	18.80	<1	7800	9	14	44	16	1

Notes

1. All Au assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. All Ag& base metal assays determined by Hydrochloric/Perchloric digestion with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta

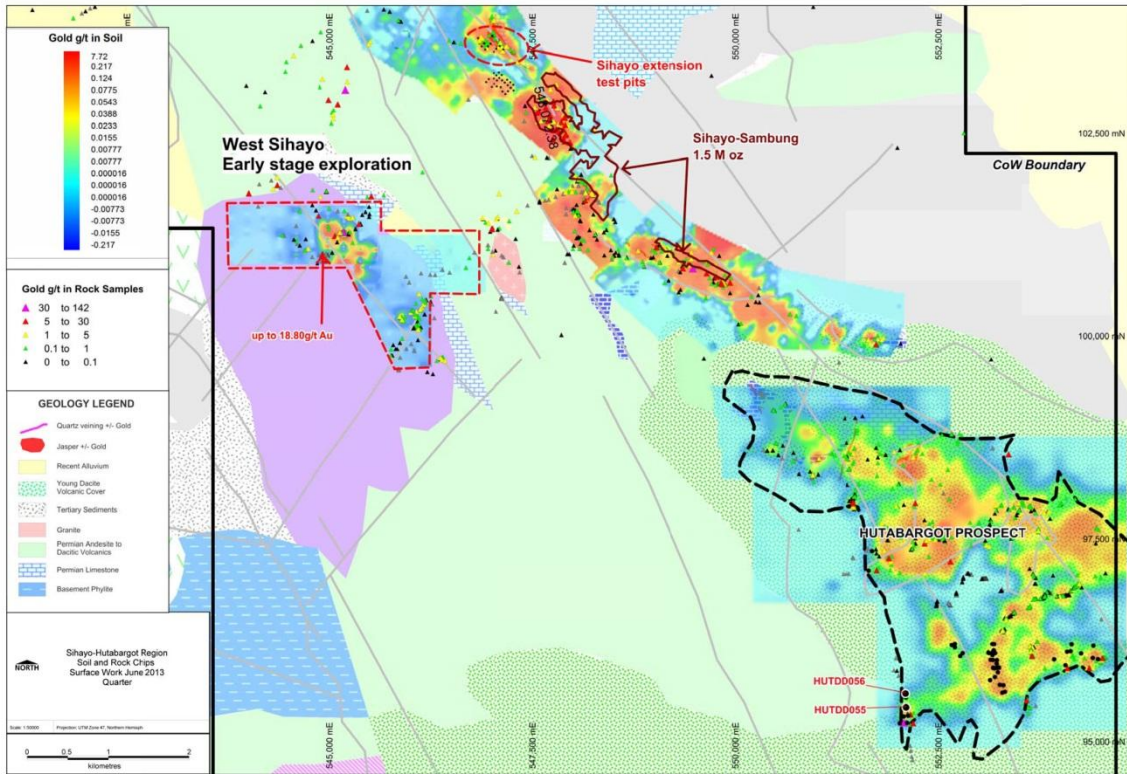


Figure 5: June Quarter Geological mapping and rock and soil sampling. Areas highlighted in dashed red lines are the main surface work areas.

4. Corporate

Settlement and issuance of new shares pursuant to the capital raising announced on 22 March occurred on the 5th and 9th April 2013

Company ended June Quarter with AUD 2.8m in cash and is debt free.

Management believes it continues to have the support of major shareholders and is working with them in relation to ongoing funding requirements.

Yours faithfully,

SIHAYO GOLD LIMITED

Stuart Gula
Chief Executive Officer
31st July 2013

Competent Persons Statements

Sihayo Gold Limited:

Information in this report that relates to exploration or mineral resources based on information compiled by Mr Darin Rowley (BSc.Geol Hons 1st class) who was a full time employee until June 2013 and has subsequently become a consultant of PT Sorikmas Mining (75% owned subsidiary of Sihayo Gold Limited) at the time of drilling, sampling and data collection. Mr Rowley is a Member of the AusIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rowley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Sihayo Resource

Information that relates to Mineral Resource Estimates at the Sihayo project is based on information compiled by or under the supervision of Mr Robert Spiers, who is an independent consultant and Director of H&S Consultants to Sorikmas Mining Ltd. Mr Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as an Independent Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and an Independent Qualified Person as defined in the Canadian National Instrument 43-101 (standards of Disclosure for Mineral Projects). Mr Spiers is a Member of the Australian Institute of Geoscientists and a full time employee of H&S Consultants. Mr Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Sihayo deposit was estimated by H&S Consultants using Ordinary Kriging constrained by mineralisation envelopes prepared using a nominal 0.3g/t gold cut-off grade as put forth by the Sorikmas Mining Ltd. A down-hole intercept length of 1m was adopted for modelling and the primary block dimensions used in the Sihayo model were 12.5m EW by 12.5m NS by 2.5m vertical. Bulk density was estimated as an attribute of the modelling process and was assigned to the modelling data prior to modelling via a matrix which characterised bulk density based on sample lithological attributes and oxidation state from a data set of 609 bulk density determinations. Historical bulk density sampling outcomes were not employed.

Sambung Resource

Information that relates to Mineral Resource Estimates at the Sambung project is based on information compiled by or under the supervision of Mr Luke A Bulet, who is an independent consultant and Director of H&S Consultants to Sorikmas Mining Ltd. Mr Bulet has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as an Independent Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and an Independent Qualified Person as defined in the Canadian National Instrument 43-101 (standards of Disclosure for Mineral Projects). Mr Bulet is a Member of the Australian Institute of Geoscientists and a full time employee of H&S Consultants. Mr Bulet consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Sambung deposit was estimated by H&S Consultants using Ordinary Kriging constrained by mineralisation envelopes prepared using a nominal 0.3g/t gold cut-off grade as put forth by the Sorikmas Mining Ltd. A down-hole intercept length of 1m was adopted for modelling and the primary block dimensions used in the Sambung model were 12.5m EW by 12.5m NS by 2.5m vertical. Bulk density was estimated as an attribute of the modelling process and was assigned to the modelling data prior to modelling via a matrix which characterised bulk density based on sample lithological attributes and oxidation state from a data set of 1292 bulk density determinations. Historical bulk density sampling outcomes were not employed.

Note

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(2,277)	(13,384)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	56	161
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(2,381)	(13,897)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(4)	(135)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		(4)	(135)
1.13	Total operating and investing cash flows (carried forward)	(2,385)	(14,032)

1.13	Total operating and investing cash flows (brought forward)	(2,385)	(14,032)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,417	4,935
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (cost of share issue)		
	Net financing cash flows	4,417	4,935
	Net increase (decrease) in cash held	2,032	(9,097)
1.20	Cash at beginning of quarter/year to date	1,042	11,631
1.21	Exchange rate adjustments to item 1.20	(282)	258
1.22	Cash at end of quarter	2,792	2,792

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	141
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NOT APPLICABLE

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NOT APPLICABLE

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,400
4.2 Development	
4.3 Production	
4.4 Administration	300
Total	2,700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,748	998
5.2 Deposits at call	44	44
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,792	1,042

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished or reduced			

6.2 Interests in mining tenements acquired or increased

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	844,832,293	844,832,293		
7.4 Changes during quarter (a) Increases through issues	4,545,455		0.11	0.11
	40,909,090		0.11	0.11
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	Options <i>(description and conversion factor)</i>	1,000,000 1,000,000 1,000,000 1,000,000	<i>Exercise price</i>	<i>Expiry date</i>
			\$0.125 \$0.130 \$0.125 \$0.130	1/10/2014 1/10/2014 1/10/2015 1/10/2015
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 31 July 2013

Print name: Daniel Nolan – Company Secretary

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.